

NEWS RELEASE

Protecting Utah • Protecting You



UTAH ATTORNEY GENERAL
MARK SHURTLEFF

**For Immediate Release
February 6, 2006**

**Contact
Paul Murphy:
(801) 538-1892
pmurphy@utah.gov**

SECURITIES CON ARTIST SENTENCED TO PRISON

Attorney General Mark Shurtleff and Department of Commerce Executive Director Francine Giani announced today that a Massachusetts man was ordered to serve up to 15 years in prison for defrauding Utah investors. The judge also ordered Michael A. Espinoza, 44, to pay \$324,765 in restitution to investors.

Espinoza pleaded guilty on November 1, 2005 to 3 felony securities violations. He was convicted for selling promissory notes and factoring agreements (buying accounts receivable at a discount) from a company called EchoTek Communications. According to court testimony, Espinoza made the following promises to investors:

- They would double their money in a year.
- Their investments had no risk.
- They would have priority in receiving payments from EchoTek and would receive stock in the company.

In reality, the state found that investor funds were being used for personal expenses of company officers and to repay earlier investors. When taking money from investors, Espinoza failed to disclose to investors that he had prior drug-related criminal convictions and owed \$89,000 in back child-support judgments.

Two of Espinoza's co-defendants have already been sentenced and they have also been ordered to help pay restitution to the victims. James B. Klingbiel was convicted on May 24, 2004 and was given probation based on his cooperation. John B. Tenney was convicted in March 2005 and is currently at the Utah State Prison serving a sentence of 1 to 15 years. Assistant Attorney General Charlene Barlow handled the prosecution for all 3 defendants.

###